

**AFLOAT**  
**SIMPLIFIED ACQUISITION PROCEDURES**

Enclosure (3)



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CHAPTER 1

SHIPBOARD PROCUREMENT AUTHORITY

1. Scope. This chapter explains how a ship obtains and delegates its procurement authority; and the conditions under which a ship is authorized to exercise this authority to purchase supplies or services from commercial sources in the open market.

2. Definitions. The following definitions apply when the terms are used in this chapter and the entire enclosure:

a. Blanket Purchase Agreement (BPA). An agreement similar to a "charge account" with a supplier who will furnish supplies or services under pre-arranged terms and conditions. BPAs are established by shore contracting activities which provide logistical support to ships.

b. Blanket Purchase Agreement (BPA) Call. An oral or written order placed by the ship's contracting officer or other authorized individual under the terms and conditions of an existing BPA.

c. Buyer. A generic term for a storekeeper, assistant supply officer, or supply officer who is authorized to conduct the solicitation on behalf of, and prepare documentation for the review and approval of, the contracting officer responsible for the award of the simplified acquisition.

d. Delivery Order. An order for supplies issued under the terms and conditions of a particular type of contract which has been established by an authorized logistics support or contracting activity for use by ships.

e. DFARS. The Defense Federal Acquisition Regulation Supplement provides procurement policy by implementing and supplementing the FAR and applies to all DoD components with procurement authority.

f. FACNET. The Federal Acquisition Computer Network is the governmentwide systems architecture for the procurement of supplies and services that provides for electronic data interchange of acquisition information between the government and the private sector, employing nationally and internationally recognized data formats, and providing universal user access. Ships are not required to use, and do not currently have access to, FACNET.

g. FAR. The Federal Acquisition Regulation provides procurement policy to all Executive Agency components.

h. Governmentwide Commercial Purchase Card (GCPC). A micro-purchasing method using a purchase card, similar in nature to a commercial credit card, issued to authorized ship's personnel for their use in acquiring supplies (and services while overseas), not exceeding \$2,500; following the procedures for use of the card set forth in the General Services Administration Contract Guide and this enclosure.

i. Imprest Fund. A cash fund established by an advance of funds from a ship's disbursing officer to a duly appointed cashier.

k. Imprest Fund Purchase. A micro-purchasing method which authorizes payment, normally not exceeding \$500, in cash by the imprest fund cashier upon delivery to the government; following the applicable procedures set forth in this enclosure.

l. Indefinite Delivery Type Contracts (IDTC). An indefinite delivery type contract (IDTC) is a contract for supplies and services to be delivered as needed and required by individual orders. These contracts for shipboard requirements are established by authorized contract support activities with commercial contractors and allow for issuance of delivery orders by shipboard personnel.

m. Micro-Purchase. An acquisition of supplies or services, an aggregate amount of which does not exceed \$2,500, using the applicable simplified acquisition procedures set forth in this enclosure.

n. Micro-Purchase Threshold. \$2,500.00

o. Overseas. For purposes of using simplified acquisition procedures, overseas means outside the coastal waters of any of the states of the United States and the District of Columbia; and its territories and possessions as described under the definition of the United States.

p. Non-procurement Official. Any contracting officer whose authority is limited to the micro-purchase threshold (i.e., \$2,500) and whose total purchases are limited to \$20,000 in any 12-month period.

q. Procurement Official. Any civilian/military official or employee (except as described under "non-procurement

official") who has participated personally and substantially in (1) drafting, preparing, reviewing, or approving specifications, statements of work, or purchase requests; (2) preparing or issuing solicitations, evaluating quotes, selecting sources, negotiating prices; (3) reviewing and approving awards or modifications (see Joint Ethics Regulation and FAR 3.104 for more information on the Procurement Integrity Act).

r. Purchase Order. A written offer (via a DD Form 1155) by the ship's contracting officer to buy supplies or services, under specific terms and conditions, using simplified acquisition procedures.

s. Simplified Acquisition Procedures. The procedures and methods (other than delivery orders) authorized for use by ships when purchasing supplies or services. The authorized purchasing methods may include purchase orders, calls against blanket purchase agreements (BPA), imprest fund, and governmentwide commercial purchase cards.

t. Simplified Acquisition Threshold (SAT). The simplified acquisition threshold is \$100,000; however, simplified acquisition procedures may not be used for over \$50,000 for shipboard use; except for procurements to be performed, or purchase to be made, outside the United States in support of a presidentially declared contingency operation in which case the SAT is \$200,000.

u. Task Order. An order for services issued under the terms and conditions of a particular type of contract which has been established by an authorized logistics support or contracting activity for use by ships.

v. United States (U.S.). For purposes of using simplified acquisition procedures, the land, ports and coastal waters of any state of the United States and the District of Columbia. The term also includes (unless otherwise indicated in the text of this enclosure) the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, Guam, Northern Mariana Islands, Wake Island, Johnston Island, and the Outer Continental Shelf Lands. It does not include any other territory under U.S. jurisdiction or any U.S. base or possession within the coastal waters or land mass of a foreign country.

3. Use of Regional Contracting Support Organizations. The Navy has a worldwide network of logistic organizations whose missions include providing material, services and/or

contracting support to the fleet. Support from these organizations should be considered when appropriate. Regional support organizations include:

a. Pierside Purchasing Offices. Commander, Naval Supply Systems Command (COMNAVSUPSYSCOM/NAVSUP) has established purchasing offices near or adjacent to fleet units at all major U.S. Navy ports. These satellite offices of the local Fleet and Industrial Supply Centers (FISCs) or Naval Regional Contracting Center (NRCC) Naples are staffed to provide fast and efficient services for fleet units. The pierside purchasing offices provide the following services:

- (1) Points of Contact. Contact points are established for ship initiated purchase requests.
- (2) Quick Action. The purchasing agents usually have the capability of purchasing items within five days of receipt of the requisition.
- (3) Status. Office personnel will provide the ship with current status of all requisitions received from the ship.

b. Regional Contracting Departments/Organizations. When the services of a Pierside Purchasing Office are not available, requisitions can be submitted to and processed by the Regional Contracting Department of the local FISC, NRCC, or other logistical support organization specified in current operational orders and instructions issued under the direction of fleet or type commanders. Common points of entry for non-standard requirements are provided in NAVSUPINST 4200.81.

#### 4. Shipboard Procurement Authority Responsibilities

a. Type Commanders (TYCOMs). TYCOMs are responsible for establishing limits on, and monitoring ships' use of, the procurement authority granted by this instruction and NAVSUPINST 4200.81 series.

b. Commanding Officer. The Commanding Officer is ultimately responsible for all procurements executed by shipboard personnel. In the discharge of this responsibility, the Commanding Officer may appoint qualified contracting officers, and may delegate to one of them (no lower than the Supply Officer) the right to appoint other contracting officers.

c. Supply Officer. The Supply Officer is responsible to the commanding officer for the proper performance and administration of all supply functions, including the execution of the ship's procurement authority. Although responsibility and accountability for certain purchasing functions or contracting officer's duties may be redelegated to subordinates, such delegations do not relieve the Supply Officer from his/her responsibility to the commanding officer for the proper execution of the ship's procurement authority.

5. Contracting Officer Appointment. The Commanding Officer may appoint the Supply Officer as the ship's contracting officer with the authority to redelegate his/her procurement authority, or a portion thereof, to responsible and qualified assistant supply officers, senior enlisted personnel and storekeepers. The original of the appointment letter shall be maintained by each contracting officer. A copy of each appointment letter shall be maintained in a file in the supply department. An example of the Supply Officer's appointment letter and its enclosed background documentation sheet is included at page 1-11. All other contracting officer appointment's should follow the format shown on page 1-15 for the documentation sheet; except that no other contracting officer shall have the authority to redelegate any portion of his/her procurement authority. Each contracting officer's appointment must be tailored with individual limitations commensurate with the level of responsibilities, experience and demonstrated knowledge of the appointee. Any shipboard personnel who are authorized to obligate the government, regardless of method utilized, must be appointed as a contracting officer. The following information must be included in the appointment letter and its enclosure:

a. Name. Name, title and rank of the contracting officer.

b. Limitation. Limitations of purchasing authority, including dollar amount and types of action. A statement should be included in the text that the contracting officer may be subject to disciplinary action and personal liability if he/she exceeds his/her authority.

c. Duties. Brief description of duties relating to purchasing.

d. Training. Description of purchase training including dates, course title and location. (See paragraph 10)

e. Standards of Conduct. Statement that the contracting officer has received training or reviewed the Standards of Conduct and the Procurement Integrity Act portions of the Joint Ethics Regulation, DoD 5500.7 series.

f. SF-450. Statement that the contracting officer is/is not required to file the Executive Branch Confidential Financial Disclosure Report (SF-450). Unless others are required to file this annual report by the TYCOM or the Commanding Officer, this statement is only applicable to military O-5s and above.

g. Signatures. Typed name and title of both the contracting officer and Commanding Officer with their signatures.

h. Effective Date. Effective date of the appointment.

i. Distribution. Distribute a copy to the TYCOM, as required, and the individual's service record.

6. Authorized Procurement Methods. Subject to TYCOM limitation, the ship's contracting office is authorized to utilize the following procurement methods to the stated dollar limitations.

a. Delivery Order (DO). This contractual method allows the issuance of Delivery Orders under the terms of Indefinite Delivery Type Contracts (IDTCs). If the IDTC lists ships under the TYCOMs as an ordering activity, the ship's contracting officer(s) may issue delivery orders to the maximum order limitation (MOL) set forth in the contract.

b. Governmentwide Commercial Purchase Card (GCPC). \$2,500 when in U. S. or Overseas.

c. Subject to the conditions of paragraphs 8 and 9, and unless further restricted by the TYCOM, the following simplified acquisition methods with corresponding dollar thresholds are authorized for shipboard use.

(1) Purchase Order

(a) \$25,000 when in the U.S.

(b) \$50,000 Overseas

(c) \$200,000 for any contract to be awarded and performed, or purchase to be made, outside the United States

in support of a contingency operation declared by the Secretary of Defense or presidential order.

(2) Calls against Blanket Purchase Agreement's established by support activities when the ship is an authorized user.

(a) \$25,000 when in the U. S.

(b) \$50,000 Overseas

(c) Unlimited for Subsistence

(3) Imprest Fund

(a) \$500 when in U.S. or Overseas.

(b) \$2,500 for any transaction awarded and performed, or purchase to be made, outside the United States in support of a contingency operation declared by the Secretary of Defense or by presidential order.

c. Procedures in this enclosure shall be followed when overseas purchases are required. Purchases made in the United States (as defined in paragraph 2) by shipboard personnel shall comply with the solicitation and evaluation procedures from Enclosure (1).

7. Conditions for Use of Delegated Procurement Authority. Shipboard contracting officers are authorized (unless restricted by the TYCOM) to use the Governmentwide Commercial Purchase Card on a routine basis. Shipboard contracting officers may also issue delivery orders against established contracts (i.e., husbanding contracts) when required. The use of any other purchasing method is limited to those situations in which the following conditions are met:

a. The procurement of the required item or service is authorized by current directives and has not been specifically prohibited or restricted by COMNAVSUPSYSCOM (see NAVSUP P-485 or P-567), the TYCOM or other DoN authority;

b. The requirement is critical for scheduled operations and is an emergency requirement (e.g., CASREP); or the ship's performance is impaired and may progress to a state in which the ship will not be able to perform its operational mission;  
or



c. The supplies are not available at the local supply support activity or supporting shore purchasing organizations are not available or cannot process the purchase action in time to meet the ship's operational needs; and

d. The ship's procurement personnel can process the order and arrange for delivery within the time required for the ship's operating schedule or within 30 days, whichever date is earlier.

8. Shipboard Purchase Justification. As use of simplified acquisition authority for ships is limited by paragraph 7, a written statement must be placed in the purchase file to support the decision to exercise the ship's authority (with the exception of use of the purchase card or issuance of delivery orders against established contracts.) This statement must be approved (signed) by the Supply Officer (or at a level above the Supply Officer, if required by the Commanding Officer or TYCOM).

9. Purchases in Excess of \$50,000 while Overseas.

a. Notwithstanding previously noted limitations, and in the absence of a declared contingency operation, purchases over \$50,000 while overseas are permitted when the requirement is for ship's fuel, subsistence or port services at overseas locations not having local contractual support or the requirement is for a genuine emergency that cannot be processed through a supporting contracting activity (i.e., the Government may be seriously injured, financially or otherwise, if the supplies or services are not furnished by a certain date). No other supplies and services over \$50,000, even those of high interest to the fleet, are authorized for purchase by shipboard contracting officers.

b. All purchases over \$50,000 must be supported by the contracting officer's written determination setting forth the facts and circumstances that justify the exercise of this authority. The original determination will remain in the official contract file and a copy will be forwarded to the TYCOM.

c. As these actions are not considered simplified acquisition procedures, the award will be made on a SF26 (see sample found at the end of this chapter) and must contain the following statement: "This purchase is made pursuant to Title 10 U.S. Code 2304(c)(2). All contract clauses required by law or the FAR are hereby incorporated by reference."

b. Naval Officers, with 1476 and 1480 Navy Officer Billet Classifications (NOBC's) and who perform the simplified acquisition function more than 50% of the time shall take PUR 101 Purchasing Fundamentals or PUR 102. Operational Level Small Purchase, as appropriate. Naval officers who perform the simplified acquisition function less than 50% of the time, and all Navy enlisted personnel must complete either the NAVSUP Simplified Acquisition Procedures Course or PUR 101/102.

c. Quotas for the Simplified Acquisition Procedures course are available throughout the year at NAVSUP's Naval Field Contracting System (NFCS) Procurement Management Review (PMR) Offices listed below:

including Cuba & Puerto Rico.....FISC Norfolk, VA  
FISC Norfolk Detachment,  
Philadelphia, PA  
FISC Norfolk Detachment,  
Charleston SC

including Alaska & Hawaii.....FISC San Diego, CA  
Europe and Africa.....NRCC Naples, Italy  
Far East.....NRCC Singapore

d. Technical advice regarding training and the proper execution of shipboard purchases may be obtained from the TYCOM and the PMR offices listed above. General Counsel and other purchasing/contracting resources are not part of these offices. Ships should obtain contractual support or advise of counsel from the closest (or the home port) Regional Contracting Department of the Fleet and Industrial Supply Centers (FISCs) or Naval Regional Contracting Centers (NRCCs) listed in NAVSUPINST 4200.81 series, or as directed by the TYCOM.

## 11. Controls

a. Instructions. The supply officer should maintain at least the current edition of this instruction, NAVSUPINST 4200.81 series, NAVSUP P-485, and the NAVSUP P-567 in the supply department for use when exercising procurement authority.

b. Separation of Functions. There are three basic functions performed in the processing of purchase actions. The Supply Officer shall ensure no one person performs more than two of these functions. The functions include:

- (1) The preparation and approval of the requisition;
- (2) The solicitation and award of the purchase action;
- (3) The receipt, inspection, and acceptance of the material or service.

c. Quality Management Assessment. The Supply Officer should establish an internal review program that assesses the overall quality of the performance of purchasing personnel. If performance is inadequate, steps should be taken to obtain additional training, provide supervised experience, or rescind the individual's appointment as a contracting officer, if appropriate. (See the minimum reviews required for Unpriced Orders, Blanket Purchase Agreement Calls and Imprest Fund in Chapters 5, 6 and 7 respectively.)

## 12. Unauthorized Commitments

a. General. Only duly appointed contracting officers may obligate the government. When Navy personnel, other than contracting officers, obligate the Navy to pay public funds to a commercial source an unauthorized commitment occurs. Personnel without contracting authority who make unauthorized commitments (e.g., order supplies or services or change the terms of an existing orders or contracts) may be held personally liable for the cost of the transaction and are subject to disciplinary action.

b. Conditions Required for Ratification. In order to pay for an unauthorized commitment with Navy funds (i.e., ratify the unauthorized act) all of the following conditions must be met:

- (1) Consideration. The Government received some benefit.
- (2) Authority. The vendor assumed that personnel had authority to make the purchase.
- (3) Price. The price is fair and reasonable.
- (4) Authorized. The purchase would have been proper if executed by an authorized contracting officer.

c. The Individual Making the Unauthorized Commitment must provide a written statement to the Commanding Officer in accordance with the "Unauthorized Commitment" enclosure to NAVSUPINST 4200.81 series.

d. The Commanding Officer must determine if ratification is appropriate. If ratification is appropriate, the commanding officer must provide a signed recommendation to the nearest command providing contracting or ratification support in accordance with NAVSUPINST 4200.81 series. Additionally, the commanding officer should take disciplinary action or action to recoup the funds, if deemed appropriate.

e. Payment. Do not make payment. Payment will be made by the proper paying office after the ratification process is complete.

13. TYCOM Oversight. Oversight of the purchase function aboard ship will be performed by the TYCOM as part of the scheduled Management Assessments. Assistance from the staff of the PMR offices listed in paragraph 10 is available to the TYCOM upon request.

NAVSUPINST 4200.85C

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Enclosure (3)

1-12

DEPARTMENT OF THE NAVY  
USS "SHIP'S NAME" (Hull number)  
"Mailing Address"

4205  
Ser (number)  
"date"

From: Commanding Officer, USS "Ship's name"  
To: "Rank, Name, Title", USS "Ship's name"

Subj: APPOINTMENT AS CONTRACTING OFFICER

Ref: (a) NAVSUP Instruction 4200.81 (series)  
(b) NAVSUP Instruction 4200.85 (series)  
(c) "TYCOM Instruction, if applicable"  
(d) "Ship's Purchasing Instruction"

Encl: (1) Contracting Officer Appointment Documentation Sheet

1. You are hereby appointed as the contracting officer for this ship with contracting authority subject to the limitations set forth in enclosure (1) and references (a) through (d). Your authority is limited to procurement methods and dollar thresholds listed in enclosure (1) when such purchases are authorized under current directives.

2. You are hereby authorized to appoint additional contracting officers, ordering officers, blanket purchase agreement callers, governmentwide commercial purchase cardholders, imprest fund buyers, and imprest fund primary and alternate cashiers, as necessary to support the purchasing requirements of this ship. These appointment shall be made in accordance with references (a) and (b). (This paragraph will not include any methods the ship is not authorized. Additionally, this paragraph will not be included in any delegation letter at a level below the Supply Officer.)

3. You will observe and comply with acquisition policies and procedures as set forth in references (a) through (d). Actions beyond the scope of your authority may result in disciplinary action and personal liability.

"Commanding Officer's typed  
name and signature"

Copy to:  
"Applicable TYCOM"  
"Appointee's service record"

NAVSUPINST 4200.85C

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"SHIP'S NAME & HULL NUMBER"  
CONTRACTING OFFICER APPOINTMENT DOCUMENTATION SHEET

Appointee Name:

Appointee Rank:

Appointee Title: Supply Officer

-----  
AUTHORIZED PURCHASE METHODS AND DOLLAR LIMITATIONS

1. Delivery Orders not to exceed the authorized MOL.
2. Purchase Orders and Blanket Purchase Agreement Calls not to exceed \$25,000 issued for requirements to be delivered or performed in the United States, its territories and possessions, and Puerto Rico.
3. Purchase Orders and Blanket Purchase Agreement Calls not to exceed \$50,000 for requirements purchased and used/performed outside the United States, its territories and possessions, and Puerto Rico.
4. Imprest Fund Buys not to exceed \$500, or \$2,500 if in support of contingencies declared by SECDEF.
5. Governmentwide Commercial Purchase Card micro-purchases with a single transaction limit of no more than \$2,500 and a billing cycle (monthly) limit of no more than \$\_\_\_\_\_.

-----  
DESCRIPTION OF CONTRACTING OFFICER RESPONSIBILITIES

-----  
TRAINING

<u>DATE</u>	<u>COURSE TITLE</u>	<u>LOCATION</u>
-------------	---------------------	-----------------

-----  
Appointee's Signature & Date: \_\_\_\_\_  
REVIEWED DoD 5500.7 (series): ☐ Yes ☐ No  
FILED SF 450: ☐ Yes ☐ No ☐ N/A \_\_\_\_\_

Commanding Officer's Signature: \_\_\_\_\_  
Commanding Officer's Typed Name: \_\_\_\_\_  
Effective Date of Appointment: \_\_\_\_\_

Enclosure (1)



NAVSUPINST 4200.85C

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"Ship's Name and Hull Number"  
CONTRACTING OFFICER APPOINTMENT DOCUMENTATION SHEET

Appointee Name: \_\_\_\_\_

Appointee Rank: \_\_\_\_\_

Appointee Title: \_\_\_\_\_

-----  
AUTHORIZED PURCHASE METHODS AND DOLLAR LIMITATIONS

- ☐ Delivery Orders not to exceed the MOL of the IDTC.
- ☐ Purchase Orders not to exceed \$\_\_\_\_\_.
- ☐ Blanket Purchase Agreement Calls not to exceed \$\_\_\_\_\_.
- ☐ Imprest Fund Buys not to exceed \$\_\_\_\_\_.
- ☐ Governmentwide Commercial Purchase Card micro-purchases with a single transaction limit of no more than \$\_\_\_\_\_ and a billing cycle (monthly) limit of no more than \$\_\_\_\_\_.

-----  
CONDITIONS WHICH MUST EXIST IN ORDER TO EXERCISE AUTHORITY

-----  
TRAINING

<u>DATE</u>	<u>COURSE TITLE</u>	<u>LOCATION</u>
-------------	---------------------	-----------------

-----  
Appointee's Signature & Date: \_\_\_\_\_

REVIEWED DoD 5500.7 (series): ☐ Yes ☐ No

FILED SF 450: ☐ Yes ☐ No ☐ N/A \_\_\_\_\_

Supply Officer's Signature: \_\_\_\_\_

Supply Officer's Typed Name: \_\_\_\_\_

Effective Date of Appointment: \_\_\_\_\_

Enclosure (1)

NAVSUPINST 4200.85C

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## PROCUREMENT INTEGRITY CERTIFICATION

### FOR PROCUREMENT OFFICIALS

As a condition of serving as a procurement official,

I \_\_\_\_\_, hereby certify that I am familiar with the provisions of Subsections 27(b), (c), and (e) of the Office of Federal Procurement Policy Act (42 USC 423) as amended by Section 814 of Public Law 101-189. I further certify that I will not engage in any conduct prohibited by such subsections and will report immediately to the contracting officer any information concerning a violation or possible violation of subsections 27(a), (b), (d), or (f) of the Act and applicable implementing regulations. A written explanation of subsections 27(a) through (f) has been made available to me. I understand that, should I leave the Government during the conduct of a procurement for which I have served as a procurement official, I have a continuing obligation under Section 27 not to disclose proprietary or source selection information relating to that procurement and a requirement to so certify.

SIGNATURE OF PROCUREMENT OFFICIAL

DATE

DEPARTMENT OR AGENCY

OFFICE TELEPHONE NUMBER

This form is authorized for use  
and local reproduction

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**PRIVACY ACT NOTICE TO EMPLOYEES AND OFFICIALS**

In accordance with the Privacy Act of 1974, as amended (5 U.S.C. 552a), the following notice is provided:

**AUTHORITY FOR COLLECTION OF INFORMATION:** 41 U.S.C. 423 and Executive order 9397.

Your signature on the Optional Form 333, Procurement Integrity Certification for Procurement Officials, and disclosure of your Social Security Number on this page are voluntary, but possible effects upon you if the certification is not signed and the Social Security Number is not provided include the following:

Disqualification from particular work or duty assignments, or from the position for which you have applied or which you currently hold, or other appropriate action, or administrative delay in processing your certification.

**PRINCIPAL PURPOSE FOR COLLECTION OF THIS INFORMATION:**

To obtain and maintain a completed certification from any person designated as a "Procurement Official" as defined by 41 U.S.C. 423 and applicable procurement regulations.

**ROUTINE USES WHICH MAY BE MADE OF THE COLLECTED INFORMATION**

Transfers to Federal, state, local, or foreign agencies when relevant to civil, criminal, administrative, or regulatory investigations or proceedings, including transfer to the Office of Government Ethics in connection with its program oversight responsibilities, or pursuant to a request by any appropriate federal agency in connection with hiring, retention, or grievance of an employee or applicant, the issuance of a security clearance, the award or administration of a contract, the issuance of a license, grant, or other benefit, to committees of the Congress, or any other use specified by the Office of Personnel Management (OPM) in the system of records entitled "OPM/GOVT-1 General Personnel Records," as published in the Federal Register periodically by OPM.

<b>AWARD/CONTRACT</b>		1. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 350)		RATING		PAGE OF PAGES 1	
2. CONTRACT (Proc. Instr. Issued) NO. <b>N00708-89-C-0001</b>		3. EFFECTIVE DATE <b>89 Aug 12</b>		4. REQUISITION/PURCHASE REQUEST/PROJECT NO. <b>V00708-9204-8601</b>			
5. ISSUED BY <b>USS JOHN PAUL JONES (DDG-32) FPO San Francisco, CA 96672</b>		CODE <b>V00708</b>		6. ADMINISTERED BY (If other than item 5) <b>Same as block 5</b>		CODE	
7. NAME AND ADDRESS OF CONTRACTOR (No., street, city, county, State and ZIP Code)  <b>A.B.C. Company 1508 9th St. Long Beach, CA 99602</b>				8. DELIVERY  <input type="checkbox"/> FOB ORIGIN <input checked="" type="checkbox"/> OTHER (See below)			
				9. DISCOUNT FOR PROMPT PAYMENT  <b>Net 30</b>			
10. SUBMIT INVOICES (4 copies unless other- wise specified) TO THE ADDRESS SHOWN IN:		ITEM <b>Block 5</b>					
CODE		FACILITY CODE					
11. SHIP TO/MARK FOR <b>USS JOHN PAUL JONES (DDG-32) N00708-89-C-0001 FPO San Francisco, CA 96672</b>		CODE <b>V00708</b>		12. PAYMENT WILL BE MADE BY <b>Disbursing Officer USS JOHN PAUL JONES (DDG-32) FPO San Francisco, CA 96672</b>		CODE <b>V00708</b>	
13. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION: <input checked="" type="checkbox"/> 10 U.S.C. 2304(c)(1) <input type="checkbox"/> 41 U.S.C. 253(c)(1)				14. ACCOUNTING AND APPROPRIATION DATA <b>1791804.702C 000 57017 0 060957 2D R52192 000155185JKR</b>			
15A. ITEM NO.	15B. SUPPLIES/SERVICES	15C. QUANTITY	15D. UNIT	15E. UNIT PRICE	15F. AMOUNT		
0001	Valve, ball, MIL SPEC 25000. 6 inch, input 250 PSI, output 700 PSI. P/N 9000/KPR	1	ea.	\$26,000.00	\$26,000.00		
15G. TOTAL AMOUNT OF CONTRACT						<b>\$26,000.00</b>	
16. TABLE OF CONTENTS							
V	SEC.	DESCRIPTION	PAGE(S)	V	SEC.	DESCRIPTION	PAGE(S)
PART I - THE SCHEDULE				PART II - CONTRACT CLAUSES			
	A	SOLICITATION/CONTRACT FORM			I	CONTRACT CLAUSES	
	B	SUPPLIES OR SERVICES AND PRICES/COSTS		PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACH.			
	C	DESCRIPTION/SPECS./WORK STATEMENT			J	LIST OF ATTACHMENTS	
	D	PACKAGING AND MARKING		PART IV - REPRESENTATIONS AND INSTRUCTIONS			
	E	INSPECTION AND ACCEPTANCE			K	REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS OF OFFERORS	
	F	DELIVERIES OR PERFORMANCE			L	INSTRS., CONOS., AND NOTICES TO OFFERORS	
	G	CONTRACT ADMINISTRATION DATA			M	EVALUATION FACTORS FOR AWARD	
	H	SPECIAL CONTRACT REQUIREMENTS					
CONTRACTING OFFICER WILL COMPLETE ITEM 17 OR 18 AS APPLICABLE							
17. <input checked="" type="checkbox"/> CONTRACTOR'S NEGOTIATED AGREEMENT (Contractor is re- quired to sign this document and return <u>2</u> copies to issuing office.) Contractor agrees to furnish and deliver all items or perform all the services set forth or otherwise identified above and on any continuation sheets for the consideration stated herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents: (a) this award/contract, (b) the solicitation, if any, and (c) such provisions, representa- tions, certifications, and specifications, as are attached or incorporated by reference herein. (All documents are listed herein.)				18. <input type="checkbox"/> AWARD (Contractor is not required to sign this document.) Your offer on Solicitation Number _____ including the additions or changes made by you which additions or changes are set forth in full above, is hereby accepted as to the items listed above and on any continuation sheets. This award consummates the contract which con- sists of the following documents: (a) the Government's solicitation and your offer, and (b) this award/contract. No further contractual document is neces- sary.			
19A. NAME AND TITLE OF SIGNER (Type or print)  <b>John Hancock, President, A.B.C. Company</b>				20A. NAME OF CONTRACTING OFFICER  <b>E. Wheeler</b>			
19B. NAME OF CONTRACTOR		19C. DATE SIGNED		20B. UNITED STATES OF AMERICA		20C. DATE SIGNED	
BY _____ (Signature of person authorized to sign)		<b>89 Aug 16</b>		BY _____ (Signature of Contracting Officer)		<b>89 Aug 17</b>	

NSN 7540-01-152-0049  
PREVIOUS EDITION UNUSABLE

STANDARD FORM 26 (REV. 4-83)  
Prescribed by GSA  
FAR (48 CFR) 53.214(a)

U.S. GOVERNMENT PRINTING OFFICE: 1983 O-386-498(1)

<b>AWARD/CONTRACT</b>		1. THIS CONTRACT IS A RATED ORDER UNDER OPAS (15 CFR 350)		RATING	PAGE OF PAGES	
2. CONTRACT (Proc. Inst. Ident.) NO.		3. EFFECTIVE DATE		4. REQUISITION/PURCHASE REQUEST/PROJECT NO.		
5. ISSUED BY		CODE		6. ADMINISTERED BY (If other than item 5)		
				CODE		
7. NAME AND ADDRESS OF CONTRACTOR (No., street, city, county, State and ZIP Code)				8. DELIVERY		
				<input type="checkbox"/> FOB ORIGIN <input type="checkbox"/> OTHER (See below)		
				9. DISCOUNT FOR PROMPT PAYMENT		
10. SUBMIT INVOICES (4 copies unless other wise specified) TO THE ADDRESS SHOWN IN				ITEM		
CODE		FACILITY CODE				
11. SHIP TO/MARK FOR		CODE		12. PAYMENT WILL BE MADE BY		
				CODE		
13. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION:			14. ACCOUNTING AND APPROPRIATION DATA			
<input type="checkbox"/> 10 U.S.C. 2304(c)( ) <input type="checkbox"/> 41 U.S.C. 253(c)( )						
15A. ITEM NO.	15B. SUPPLIES/SERVICES	15C. QUANTITY	15D. UNIT	15E. UNIT PRICE	15F. AMOUNT	
15G. TOTAL AMOUNT OF CONTRACT ▶ S						
<b>16. TABLE OF CONTENTS</b>						
VI	SEC.	DESCRIPTION	PAGE(S)	VI	SEC.	
PART I - THE SCHEDULE				PART II - CONTRACT CLAUSES		
	A	SOLICITATION/CONTRACT FORM			I	CONTRACT CLAUSES
	B	SUPPLIES OR SERVICES AND PRICES/COSTS		PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACH.		
	C	DESCRIPTION/SPECS./WORK STATEMENT			J	LIST OF ATTACHMENTS
	D	PACKAGING AND MARKING		PART IV - REPRESENTATIONS AND INSTRUCTIONS		
	E	INSPECTION AND ACCEPTANCE			K	REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS OF OFFERORS
	F	DELIVERIES OR PERFORMANCE			L	INSTRS., CONDS., AND NOTICES TO OFFERORS
	G	CONTRACT ADMINISTRATION DATA			M	EVALUATION FACTORS FOR AWARD
	H	SPECIAL CONTRACT REQUIREMENTS				
<b>CONTRACTING OFFICER WILL COMPLETE ITEM 17 OR 18 AS APPLICABLE</b>						
17. <input type="checkbox"/> CONTRACTOR'S NEGOTIATED AGREEMENT (Contractor is required to sign this document and return copies to issuing office.)			18. <input type="checkbox"/> AWARD (Contractor is not required to sign this document.) Your offer on Solicitation Number			
Contractor agrees to furnish and deliver all items or perform all the services set forth or otherwise identified above and on any continuation sheets for the consideration stated herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents: (a) this award/contract, (b) the solicitation, if any, and (c) such provisions, representations, certifications, and specifications, as are attached or incorporated by reference herein. (Attachments are listed herein.)			including the additions or changes made by you which additions or changes are set forth in full above, is hereby accepted as to the items listed above and all of the following documents: (a) the Government's solicitation and your offer, and (b) this award/contract. No further contractual document is necessary.			
19A. NAME AND TITLE OF SIGNER (Type or print)			20A. NAME OF CONTRACTING OFFICER			
19B. NAME OF CONTRACTOR			20B. UNITED STATES OF AMERICA			
BY _____ (Signature of person authorized to sign)			BY _____ (Signature of Contracting Officer)			
19C. DATE SIGNED			20C. DATE SIGNED			

NSN 7540-01-152-8069  
PREVIOUS EDITION UNUSABLE

U.S. GOVERNMENT PRINTING OFFICE 1982 O-350-498(9)

STANDARD FORM 26 (REV. 4-83)  
Prescribed by GSA  
FAR (48 CFR) 53.234(e)

Enclosure (3)

## CHAPTER 2

### REQUISITIONS

1. Scope. This chapter provides information on the preparation of purchase requests, hereinafter called requisitions, which are sufficient to support shipboard acquisitions.

2. Forms. Instructions on the use of authorized requisitioning forms can be found in NAVSUP P-485, Chapter 3 and NAVSUP P-567, Chapter 4. Regardless of the form used, the pertinent information from this chapter should be included.

3. Screening Requisitions. A system for screening requisitions shall be maintained by the Supply Officer. Each Supply Officer is responsible for ensuring adequate data is provided to support all supply and purchase actions. If data submitted is not adequate, the request should normally be returned to the originator for modification, amplification or cancellation. Three aspects that the screening system must address are:

a. Adequacy of the Requisition. Storekeepers or the Supply Officer must verify that all applicable data has been completed on the appropriate requisition document. Prior to processing the requisition, expeditors should pay close attention to the following data:

(1) Purchase Description. An adequate purchase description or statement of work must be included (see paragraph entitled "Purchase Descriptions" below for details).

(2) Quantity and Unit. Quantity and unit of issue must be included and explained, if necessary.

(3) Estimated Price. The estimated unit price must be included. The basis for the estimate (e.g. previous prices paid for the same or similar items) should be explained, if necessary.

(4) Contact Point. Point of contact (name and phone number) for technical questions should be included.

(5) Delivery Information. The UMMIPS priority designator, required delivery date, delivery hours or other time constraints (if applicable), and delivery location must be included. Consignment instructions should also be included, if applicable.



(6) Unique Requirements. Any unique requirements (such as marking, packing, or preservation) should be specified.

(7) Justification. A sole source justification should be attached if the requisitioner needs to restrict the procurement to a specific make and model or to a single contractor. A mission impact statement may be required to support emergency purchases.

(8) Approval. The required approval signature(s), as established by the on board requisition routing system, must be included.

(9) Items that Require Special Attention or Approvals. Requests for items that require special attention or approvals should be processed and approved in accordance with Enclosure (2) of this instruction, NAVSUP P-485, NAVSUP P-567 and TYCOM instructions, if applicable.

b. Funding

(1) The ship should have a system in place in which all purchase requisitions are reviewed and approved at a level within the chain of command commensurate with the priorities for the obligation of funds established by the TYCOM.

(2) Each requisition should contain a statement that the total price of the purchase may not exceed the amount shown on the requisition unless permission is granted by the funds holder (e.g., the Supply Officer).

c. Required Sources of Supplies and Services. Supply department personnel or other supply petty officers must compare the identified items to those available in the supply system prior to proceeding with an open market purchase. Shipboard material identification resources should be used extensively to ensure that required sources have been screened. The efforts made by shipboard personnel in the technical editing process cannot be overly emphasized. This includes screening for:

(1) Locally (Shipboard) maintained material.

(2) NSN material stocked by logistics support activities.

(3) NSN material maintained by DoD or other stocking points. This should include screening for items available from the Committee for Purchase from People who are Blind or Severely Disabled (NIB/NISH). Many supply items manufactured by NIB/NISH are available from stocking points such as GSA or DLA.

4. Purchase Description. All requisitions prepared to support simplified acquisitions must contain adequate purchase descriptions. A purchase description for commercially available items should be written in a generic manner, whenever possible. Military or Federal Specifications (MILSPECs/FEDSPECs) are discouraged; except for those that have been mandated by authorities such as DoN, COMNAVSEASCOM, TYCOMs or the Commanding Officer. The following factors should be considered when developing or reviewing a purchase description:

a. The description must include all essential features or salient characteristics of the required supplies or services. The following details should be included in the purchase description when applicable:

- (1) A plain language name for the item or service.  
Do not use abbreviations.
- (2) Dimensions, size, or capacity.
- (3) Material type, grade, color, and any acceptable alternatives.
- (4) Electrical operating data, (i.e., AC/DC, 110/220V, etc).
- (5) Operating characteristics; such as revolutions per minute (rpm), cycles per minute (cpm), pounds per square inch (psi), etc.
- (6) Restrictive environmental conditions; such as temperature, humidity, exposure to ocean air, water or salt, size limitations of ship's space, radio interference, etc.
- (7) The item's intended use, including location within an assembly, equipment, or ship's spaces.
- (8) Equipment with which the item will be used or must be compatible.

- (9) Drawings, sketches and any other information that is considered necessary to ensure proper identification of what is required.
- (10) If the requested item must be made to a MILSPEC/FEDSPEC, the ordering data contained in paragraph 6.2 of the specification must be included. If the specification has a qualified products list (QPL), the list should also be provided; since the buyer may only purchase the qualified items.
- (11) If the requirement includes services, requisition must include a statement of the work to be performed, the period of performance, key experience or skills required by the contractor's employees, etc.
- (12) If a service is to be performed off the ship and ship's property will be in the possession of the contractor, the requisition must show the acquisition value (i.e., the price the Government paid) of the equipment, part, or other material to be furnished to the contractor.

b. Descriptions should not be unduly restrictive. A specific manufacturer's make and model or a sole source/vendor should not be requested unless:

- (1) The specific product or service is essential to the ship's operations, and
- (2) Similar products lack features that are necessary to meet the ship's minimum needs or other contractors are not qualified to perform the necessary services.
- (3) A statement is provided that justifies the restrictive purchase description or the restrictions on the source selection process.

c. A brand name product may be specified without justification; if the purchase description includes the brand name product followed by the words "or equal," and includes a list of the minimum essential features that will be required in another product in order for that manufacturer's product to be considered "equal" to the requested brand. Any contractor who submits a quotation on an "equal product" is required to clearly identify the item by brand name, model or part number,

and provide literature (e.g., catalog, description, etc.) which shows that the offered product meets the essential physical and functional capabilities required. This data is then furnished to the customer who must determine if the product is in fact equal. If the product is not equal, the requisitioner must submit a written determination explaining why the "or equal" product is not acceptable.

## CHAPTER 3

### SOLICITATION AND EVALUATION

1. Scope. This chapter prescribes solicitation and evaluation policies and procedures to be followed by shipboard personnel when awarding contracts for supplies or services which will be delivered or performed overseas (as defined in chapter 1).

#### 2. Policy

a. Shipboard buyers/contracting officers must follow the solicitation and evaluation procedures in enclosure (1) when awarding contracts for supplies and services that will be delivered or performed in the United States (as defined in Chapter 1).

b. Prior to using the simplified procedures in this chapter, shipboard personnel shall comply with the requirements of Chapters 1 of this enclosure, NAVSUP P-485, NAVSUP P-567, and relevant TYCOM Instructions (e.g., COMNAVSURFLANTINST or COMNAVSURFPACINST 4400.1 series).

c. Requirements aggregating more than the micro-purchase threshold shall not be broken down into several purchases that are less than, or equal to, \$2,500 merely to permit purchase under micro-purchase procedures.

d. Solicitations generally may be limited to qualified sources within the local trade area of the port the ship is located in or will be arriving at. The supply department should maintain source lists for the commodities or services it normally procures. As new sources are disclosed by requisitioners, the local authorities, responses to previous solicitations, etc., they should be added to the list(s).

#### 3. Methods of Soliciting Quotes

##### a. Oral Solicitations

(1) Quotations should be solicited orally to the maximum practicable extent. Soliciting a quotation over the phone is quicker, requires less paperwork, and is, therefore, administratively less expensive than a written solicitation.

(2) When soliciting a quotation by phone, the buyer should ask to speak with a government sales representative.

(3) The buyer must completely describe the requisitioner's need and ask the sales representative to provide a quotation including the manufacturer's name, model number, part number, and/or catalog number; unit and extended price; delivery date; transportation terms; prompt payment discount terms; etc. (See the paragraph entitled "Record of Solicitation" for a more detailed list of the information the buyer should ask the quoter to provide).

(4) If the sales representative cannot provide an immediate quotation, the buyer should provide a cut-off date beyond which no further quotations will be accepted. The buyer must allow contractors a reasonable period of time to respond.

b. Written Solicitations.

(1) Written solicitations are discouraged for shipboard use and should only be issued when obtaining oral quotations is not feasible.

(2) Written solicitations may be considered prudent or appropriate when:

- (a) Numerous items are included in a single action;
- (b) Detailed purchase descriptions or statements of work are involved (i.e., drawings, schematics or blueprints must be provided);
- (c) Suppliers are outside of the local area; or
- (d) The contracting officer determines that a written solicitation is in the best interest of the Navy.

(3) Written solicitations may be made using the Standard Form 18 (SF18), "Request for Quotations." Written solicitations shall be numbered as prescribed by DFARS 204.70 with the letter "Q" in the ninth position (e.g., N00023-96-Q-1234). The SF18 must also include the appropriate provisions and clauses as required by FAR and DFARS. A SF18 and the common provisions and clauses that may be required are illustrated at the end of this chapter.

(4) Written solicitations may be sent to potential quoters via facsimile transmissions if the use of such a method is determined to be the most cost effective and

efficient way of soliciting quotes. Facsimile quotations by contractors may be authorized.

#### 4. Competition

a. Micro-Purchases. Micro-purchases may be awarded without soliciting competitive quotations if the contracting officer determines that the price is reasonable. Although competition is not required, these purchases must be equitably distributed among qualified suppliers. Whenever feasible, a quotation should be solicited from a source other than a previous supplier before placing a repeat order, if possible.

b. Competition in Purchases Over \$2,500.

(1) In general, at least three quotations should be solicited from responsible qualified suppliers (who independently contend for an order and can satisfy the Navy's needs) in order for competition to be considered adequate. If practicable, two sources not included in a prior solicitation should be requested to furnish quotations. However, all qualified sources must, upon request, be allowed to submit a quotation, if their quotes are submitted in a timely fashion.

(2) The receipt of more than one quotation is not necessarily an indication of adequate price competition. The buyer and the contracting officer must evaluate the quotations as explained in the paragraph entitled "Fair and Reasonable Price Determination" in order to determine if price competition is adequate.

(3) The contracting officer may allow the solicitation to be restricted to one source if he or she makes a written determination that only one source is reasonably available to provide the Navy's requirements due to the nature or circumstances of the proposed simplified acquisition. This determination will be based on an acceptable justification provided by the requisitioner or known conditions in the foreign port. Statements such as "only known source" or "only source which can meet the required delivery date" are inadequate and insufficient to support a sole source purchase.

#### 5. Restrictions of Certain Foreign Purchases

a. Ships may not acquire supplies or services from foreign governments or their organizations when these supplies or services cannot be imported lawfully into the United States. Therefore, except as provided in subparagraph b., ships shall not acquire or receive from their contractors

supplies or services originating from, or located in and transported from Restricted Countries. Contractors must be informed of these restrictions. This may be done verbally or by the inclusion of the FAR clause 52.225-11, "Restrictions of Certain Foreign Purchases."

b. In unusual situations, supplies and services covered by the restrictions above may be acquired for use outside the U.S., its possessions, or Puerto Rico. If the ship has an emergency, the Supply Officer may make a written determination that supplies and services from restricted sources are acceptable when they are not available from another source and a substitute is not acceptable. A copy of this determination shall be placed in the purchase file. In addition, a copy shall be furnished to the contractor.

#### 6. Transportation in Supply Orders

a. General. Transportation and traffic management factors are important in awarding and administering simplified acquisitions to ensure that (1) purchases are made on the basis most advantageous to the Navy and (2) supplies arrive in good order and condition and on time at the required place. The contractor and the contracting officer must agree on the transportation terms and conditions related to the "f.o.b." point.

b. "F.o.b." means free on board. This term is used in conjunction with a physical point (e.g., destination, origin, vessel, air carrier's terminal, inland carrier) to determine:

(1) The responsibility and basis for payment of freight charges;

(2) The point at which inspection and acceptance normally occurs; and

(3) The point at which responsibility for or title to the supplies normally passes to the Navy.

#### c. F.o.b. Destination

(1) F.o.b. destination terms should generally be solicited from all quoters as this transportation term requires the contractor to make arrangements for shipment and to be responsible for the material until it reaches our destination. The cost of transportation is not shown as a separate item, rather is included in the total cost of the order.



(2) FAR clause 52.247-34, "F.o.b. Destination" should be included in written solicitations and orders.

d. F.o.b. Origin, Freight Prepaid

(1) When f.o.b. destination terms are not obtainable, "F.o.b. Origin, Freight Prepaid" is recommended over other f.o.b. origin clauses when the supplies are unclassified and the shipment will not exceed 150 pounds by any form of commercial air or 1,000 pounds by other commercial carriers.

(2) "F.o.b. Origin, Freight Prepaid", means free of expense to the Navy until the shipment is delivered in the specified city and state to a U.S. Postal Service facility, to a carrier's freight station, to and on board a carrier's conveyance, to and placed shipside on the carrier's wharf within reach of the ship's loading tackle, or to any point located within the same city that is designated by the contracting officer.

(3) When f.o.b. origin terms are agreed upon:

- (a) the contractor is only responsible for the material until it is delivered to a shipper/carrier;
- (b) the contractor must quote on the cost of the material and the shipping cost as separate line items; and
- (c) government ownership normally occurs when the contractor delivers the goods to the shipper.

(4) The clause at FAR 52.247-32, "F.o.b. Origin, Freight Prepaid", the city and state from which the shipment originates, and the estimated freight charges shall be included in the written solicitation and the ordering document, or file documentation when an oral order is given to the contractor.

e. Transportation Account Code (TAC). When a transportation account code is available for the appropriation financing the purchase, the transportation costs prepaid by the contractor are not charged directly to the appropriation. The order shall include the appropriate four digit TAC to pay for the freight charges (see instructions on the preparation of DD Form 1155 in the Purchase Order chapter). The TAC to be

assigned to the order is based upon the procuring appropriation that is financing the purchase as illustrated in the following chart:

ASSIGNMENT OF TRANSPORTATION ACCOUNT CODE (TAC)	
<u>PROCUREMENT APPROPRIATION:</u>	<u>TAC:</u>
17*1804 Operations and Maintenance Navy (O&MN) .....	N867
17*1806 Operations and Maintenance Naval Reserve (O&MNR)	N888
(* = last digit of fiscal year in which funds are available)	

f. F.o.b. Origin, Contractor's Facility

(1) "F.o.b. Origin, Contractor's Facility" means free of expense to the Navy when delivered on board a Navy vehicle or the conveyance of the commercial carrier at the designated facility, on the named street, in the city and state from which the goods will be picked up or from which shipment will be made.

(2) FAR clause 52.247-30, "F.o.b. Origin, Contractor's Facility," should be incorporated when F.o.b destination terms are not obtainable and the determination has been made that picking up the supplies at the contractor's place of business (i.e., facility) is in the Navy's best interest.

(3) The contractor is only responsible for the supplies until the order is picked up. Therefore, it is important for Navy personnel responsible for picking up an order to visually inspect the condition of the packaging and compare the packing list to the ordering document prior to taking possession of the shipment.

7. Record of Solicitation. Regardless of whether the solicitation is oral or written, all information obtained during the solicitation must be recorded in the purchase file. The buyer may record information on a locally developed worksheet or an electronically generated worksheet. For micro-purchases, solicitation information may generally be recorded on the purchase request, a telephone conversation record, or other similar document. (A sample of a Micro-purchase worksheet and a Simplified Acquisition Worksheet are provided at the end of this chapter.) Solicitation documentation should include:

- a. Identification of quoter including business name, address, phone number and point of contact;
- b. Date and time quotation received (and quotation number and expiration date, if applicable);
- c. Brand name and model, part or catalog number of each item quoted on;
- d. Unit and extended price for each item or service;
- e. Total price;
- f. Agreed upon delivery date;
- g. F.o.b. Point and estimated shipping charges;
- h. Quantity or trade discounts offered, if applicable;
- i. Minimum order charges, if applicable; and
- j. Prompt payment discount, if any.

8. Evaluation of Quotations. Quotations should be evaluated to ensure award is made at a fair and reasonable price. In addition to the price reasonableness determination discussed in paragraph 9, other factors may effect the total price paid and should be considered in the evaluation process:

a. Delivery. When a requirement is urgent and the lowest priced quoter cannot deliver the supplies or services by the required delivery date (RDD), or competition is limited or nonexistent due to time factors, the buyer will evaluate quotations on the basis of delivery. The urgency must be based on the fact that the mission of the requiring activity will be seriously endangered if the required delivery date is not met (e.g., work stoppage, ship departure, safety hazard) and must be documented in the purchase file.

b. Minimum Order Charges. Occasionally an item can be obtained only from a supplier who quotes a minimum order price or quantity that exceeds the funding or quantity stated on the purchase request. In these instances, the buyer must inform the requisitioner of all facts regarding the quotation and request that he/she confirm or alter the quantity or funds required.

c. Packing/Packaging Charges. Quotes should be solicited on the commercial packing or packaging practice of the quoter

unless special requirements are set forth in the purchase request. Additionally, some contractors may charge for these special requirements.

d. Special Marking Charges. Some purchase requests include instructions for special marking requirements (e.g., bar coding). If the quoter includes separate charges for the required marking, the buyer must include these charges in the total evaluated price.

e. Transportation Charges. If a contractor quotes on F.O.B. origin terms, the estimated transportation charges must be added to the quoted price prior to comparing it to any other quotation.

f. Prompt Payment Discount. Although prompt payment discounts should be solicited from contractor's, there is no guarantee payment will be made within the quoted discount period. Therefore, prompt payment discounts shall not be considered in the evaluation process.

#### 9. Price Reasonableness Determination

a. General. It is the responsibility of the buyer to ensure that every purchase is made at a fair and reasonable price, and that the Government gets what it pays for in terms of quality and delivery.

b. Micro-Purchases. Although every price paid must be determined to be fair and reasonable, the added administrative expense of seeking competition and verifying the reasonableness of the price may outweigh the savings received. Therefore, for micro-purchases (\$2,500 and below), a written price reasonableness determination is not necessary unless the buyer has some reason to question the price.

(1) Prices generally can be determined to be fair and reasonable simply by applying common sense. One test of reasonableness is to ask yourself: "Would I pay this price if I was spending my own money to purchase this item?" The personal judgment of the contracting officer based on previous buys, personal experience, etc, may be all that is necessary to determine a price fair and reasonable.

(2) In the event the buyer feels the price is not fair, further action must be taken. Often all that is needed is a better understanding of what we are buying from the customer or more information from the contractor as to how the pricing was accomplished. If this does not provide enough

information, more detailed guidance may be found in the following paragraphs.

c. Price Reasonableness in Purchases over \$2,500. A written price reasonableness determination is required for all simplified acquisitions exceeding \$2,500. The written determination that the proposed price is fair and reasonable should generally be based on adequate price competition. However, other methods may be necessary to determine price reasonableness if only one response is received, or the price competition is considered inadequate.

(1) Adequate Price Competition

(a) Adequate price competition exists when two or more offers are solicited; two or more quotations are received which meet the requirements of the solicitation; and quoters can compete independently.

(b) When all of these conditions are met, the buyer should expect to find a fairly tight cluster of quotations. Normally when this happens, the buyer and contracting officer can determine that price competition is adequate and no further action is necessary.

(c) When prices vary significantly between low and next-low quotations, it may mean a quoter is very efficient, is far ahead in design or manufacturing technology, is buying in, or has made a mistake. Therefore, when significant price variances exist, the buyer must take other action before making a decision that the lowest price is fair and reasonable. In addition, even when the prices quoted appear to be price competitive, an analysis of the real worth of an item may be needed. For example, quotes for \$150, \$200 and \$225 for a one gallon can of latex paint should be questioned. The buyer's assessment of the real worth of such a product leads to the conclusion that none of the quotes are reasonable. More information from the quoter and further analysis is required before accepting any of these quotes.

(d) When solicitation specifications restrict the competition to a specific brand name product, or if all quotations received are for the same manufacturer's product, it may be assumed that the manufacturer has a lock on the competition and the conditions of the solicitation may have denied one or more known and qualified sources the opportunity to compete. Therefore, even if the quoted prices are in a fairly tight cluster, the price competition is not considered

adequate and the buyer must take other action to determine that the lowest price is fair and reasonable.

(2) Established Catalog or Market Prices. Use of established catalog or market prices as a means of determining a price fair and reasonable is based upon the assumption that the catalog or market prices are set based on fair competition. Generally, if a price is published and available to the general public, it is assumed that it is a fair price. Before using this information, the buyer must verify certain information about the published price.

(a) The price must be included in a catalog, price list, schedule, or other form that is regularly maintained by the manufacturer or vendor, is published or otherwise available for inspection by customers, and states prices at which sales are currently or were last made to a significant number of persons or businesses constituting the general public; or

(b) A commercial item is an item (the term includes both supplies and services) that is regularly used by commercial or private concerns as well as the government.

(c) An item (or service) is considered to be sold in substantial quantities when the quantities regularly sold are sufficient to constitute a real commercial market for the item (or services are regularly provided in substantial quantities). Nominal quantities, like models, specimens, samples, and prototype or experimental units do not meet this requirement.

(d) An item is sold to the general public if it is sold to other commercial or private firms.

(e) To apply the established catalog or market price comparison technique, the buyer should get data from the quoter to determine prices paid by the government are equal to or less than those paid by the contractor's regular customers. This generally may be proved by documenting the contractor's catalog number, date and page number in the purchase file.

(3) Historical Comparisons. Comparison of prior quotations and contract prices with current quotations for the same or similar items can be used as the basis of a fair and reasonable price determination if the prior purchase price was determined in writing to be fair and reasonable. When comparing the quoted price to a previous contract price, the

buyer must ensure the situations were comparable and quotes were for comparable quantities.

(4) Independent Government Estimate

(a) A quoted price may be compared with a reliable Government estimate when other forms of price comparisons are not possible. To judge if a Government estimate is reliable, the buyer needs to obtain supporting documentation from the requiring activity showing how the estimate was derived.

(b) The purchase request estimate can be a valid standard for comparison if the originator used a reasonable past purchase price and identifies when the price was paid and what quantity was purchased. If the purchase request is not based on previous buys, then supporting documentation from the requiring activity should include a realistic engineering estimate (e.g., the amount of labor required to manufacture the material, the type of material used in the manufacturing process, etc.).

(c) The requiring activity can also be requested to perform a technical analysis of the item being purchased as a basis to establish price reasonableness. A statement from the customer such as "proposed prices are considered to be fair and reasonable based on the technical analysis performed", is inadequate without supporting documentation explaining the basis of the analysis and/or why the price is considered fair and reasonable.

(5) Value Analysis. Value analysis attempts to develop the intrinsic worth of a product. This analysis may help the buyer to justify a price offered on a sole source basis or may help explain the reason for price differences between past buys and present quotes. To use value analysis, you need to obtain from the customer and/or contractor as much information concerning the item as possible (e.g., intended use, any special manufacturing process or treatment involved which would support a higher price, cost of the end item that is inoperable because of the missing part, etc.). With assistance from the customer and/or the contractor, you must carefully review the government's requirement and answer the following applicable questions:

- (a) What does the product have to do?
- (b) What does it cost now? What prices did we pay in the past? What does it cost to operate and maintain?

- (c) What other ways can the function be performed?
- (d) What will these alternatives cost?
- (e) What will be the effect on the activity or command if the purchase is not made at the quoted price? This must be described in terms of dollars and cents; such as, manhours lost X cost per manhour = dollars lost by activity.

(6) Price breakdowns. If all the methods described above do not support your determination, request additional pricing data from the contractor. What does the contractor pay for the item? From whom does the contractor buy it? Does the contractor add anything to the item (e.g., re-packing, bar-coding, etc.)? How much does he/she pay the service technician? The cost information obtained from these questions may only be used to supplement other primary or secondary price analysis techniques. If you still cannot make a determination that the price is fair and reasonable, you will need to ask for assistance from a regional contracting activity, Defense Contract Management Command, Defense Contract Audit Agency, Navy Price Fighters, or an in-house price analyst.

(7) File Documentation. Regardless of the method used to determine price reasonableness in actions over \$2,500, the purchase file should contain adequate documentation to support the Contracting Officer's determination that a fair and reasonable price has been paid for the required material or service. (See sample documentation form at the end of this chapter.)

10. Selecting the Award Method. The contracting officer shall select the simplified acquisition method that best fits the requirement.

11. Notification of Unsuccessful Quoters. Notification to unsuccessful quoters shall be given only if requested. In the interest of fostering competition, the name of the awardee (i.e., successful quoter) and the award price, including discount terms, shall be included in the notification.



<b>REQUEST FOR QUOTATIONS</b> (THIS IS NOT AN ORDER)			THIS RFO <input type="checkbox"/> IS <input type="checkbox"/> IS NOT A SMALL BUSINESS SET-ASIDE		PAGE <input type="text"/> OF <input type="text"/> PAGES
1. REQUEST NO.	2. DATE ISSUED	3. REQUISITION/PURCHASE REQUEST NO.	4. CERT. FOR NAT. DEF. UNDER BDSA REG. 2 AND/OR DMS REG. 1		RATING <input style="width: 50px;" type="text"/>
5A. ISSUED BY			6. DELIVER BY (Date)		
5B. FOR INFORMATION CALL (NO COLLECT CALLS)			7. DELIVERY		
NAME		TELEPHONE NUMBER		<input type="checkbox"/> FOB DESTINATION <input type="checkbox"/> OTHER (See Schedule)	
		AREA CODE	NUMBER	8. DESTINATION	
8. TO			a. NAME OF CONSIGNEE		
a. NAME		b. COMPANY		b. STREET ADDRESS	
c. STREET ADDRESS			c. CITY		
d. CITY		e. STATE	f. ZIP CODE	d. STATE	e. ZIP CODE
10. PLEASE FURNISH QUOTATIONS TO THE ISSUING OFFICE IN BLOCK 5A ON OR BEFORE CLOSE OF BUSINESS (Date)		<b>IMPORTANT:</b> This is a request for information, and quotations furnished are not offers. If you are unable to quote, please so indicate on this form and return it and return it to the address in Block 5A. This request does not commit the Government to pay any costs incurred in the preparation of the submission of this quotation or to contract for supplies or services. Supplies are of domestic origin unless otherwise indicated by quote. Any representations and/or certifications attached to this Request for Quotations must be completed by the quoter.			

**11. SCHEDULE (Include applicable Federal, State and local taxes)**

ITEM NO.	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
(a)	(b)	(c)	(d)	(e)	(f)

12. DISCOUNT FOR PROMPT PAYMENT <input style="width: 50px;" type="text"/>	a. 10 CALENDAR DAYS	b. 20 CALENDAR DAYS	c. 30 CALENDAR DAYS	d. CALENDAR DAYS	
				NUMBER	PERCENTAGE

NOTE: Additional provisions and representations ☐ are ☐ are not attached.

13. NAME AND ADDRESS OF QUOTER		14. SIGNATURE OF PERSON AUTHORIZED TO SIGN QUOTATION	15. DATE OF QUOTATION
a. NAME OF QUOTER		16. SIGNER	
b. STREET ADDRESS			
c. COUNTY			
d. CITY	e. STATE	f. ZIP CODE	c. TITLE (Type or Print)
			NUMBER

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- ☒ FAR 52.252-1 SOLICITATION PROVISIONS INCORPORATED BY REFERENCE  
(JUN 1988)

This solicitation incorporates one or more solicitation provisions by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available.

The following CLAUSES, if checked (☒) will be incorporated in any written order resulting from this solicitation.

- ☒ FAR 52.252-2 CLAUSES INCORPORATED BY REFERENCE (JUN 1988)

This order incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available.

- ☒ FAR 52.203-3 GRATUITIES (APR 1984)  
☒ FAR 52.225-11 RESTRICTIONS ON CERTAIN FOREIGN  
PURCHASES (MAY 1992)  
☒ FAR 52.233-1 DISPUTES ALT I (MAR 1994 and DEC 1991)  
☒ FAR 52.233-3 PROTESTS AFTER AWARD (AUG 1989)  
☒ FAR 52.232-1 PAYMENTS (APR 1984)  
☒ FAR 52.232-8 DISCOUNTS FOR PROMPT PAYMENT (APR 1989)  
☒ FAR 52.232-25 PROMPT PAYMENT (MAR 1994)

The following clauses will apply to all orders for supplies or services involving the furnishing of supplies.

- ☒ FAR 52.212-10 DELIVERY OF EXCESS QUANTITIES (SEP 1989)  
☒ FAR 52.246-1 CONTRACTOR INSPECTION REQUIREMENTS (APR 1994)  
☒ FAR 52.246-16 RESPONSIBILITY FOR SUPPLIES (APR 1984)

The following clauses, if checked, will apply to this solicitation and the resulting order.

- ☐ FAR 52.212-9 VARIATION IN QUANTITY (APR 1984)  
(Item Numbers \_\_\_\_\_  
\_\_\_\_\_% Increase, \_\_\_\_\_% Decrease)  
☐ FAR 52.213-3 NOTICE TO SUPPLIER (APR 1984)  
☐ FAR 52.223-3 HAZARDOUS MATERIAL IDENTIFICATION AND MATERIAL  
SAFETY DATA (NOV 1991)  
☐ DFARS 252.223-7001 HAZARDOUS WARNING LABELS (DEC 1991)

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- ☐ FAR 52.247-30 F.O.B. ORIGIN, CONTRACTOR'S FACILITY (APR 1984)
- ☐ FAR 52.247-32 F.O.B. ORIGIN, FREIGHT PREPAID (JUN 1988)

Estimated Freight Amount: \_\_\_\_\_

From City & State: \_\_\_\_\_

- ☐ FAR 52.247-34 F.O.B. DESTINATION (NOV 1991)

The following clauses will apply, if checked, and require the use of a bilateral purchase order.

- ☐ FAR 52.245-1 PROPERTY RECORDS (APR 1984)  
(Select One)
- ☐ FAR 52.245-2 GOVERNMENT PROPERTY (FIXED-PRICE CONTRACTS) (DEC 1989)
- ☐ FAR 52.245-2 GOVERNMENT PROPERTY (FIXED-PRICE CONTRACTS) ALTERNATE I (APR 1984)
- ☐ FAR 52.245-4 GOVERNMENT-FURNISHED PROPERTY (SHORT FORM) (APR 1984)
- ☐ FAR 52.249-1 (Select One)  
TERMINATION FOR CONVENIENCE OF THE GOVERNMENT (FIXED PRICE) (SHORT FORM) (APR 1984)
- ☐ FAR 52.249-4 TERMINATION FOR CONVENIENCE OF THE GOVERNMENT (SERVICES) (SHORT FORM) (APR 1984) [For Services with no supplies]
- ☐ FAR 52.249-8 DEFAULT (FIXED-PRICE SUPPLY AND SERVICE) (APR 1984)

AFLOAT MICRO-PURCHASE WORKSHEET						
REQUISITION NUMBER:		PIN:		CALL:		
VENDOR:		GOVERNMENT SOURCES REVIEWED				
		<input type="checkbox"/> Required sources of supply have been screened. No NSN or excess personal property was identified; - or -				
		<input type="checkbox"/> NSN was identified from agency inventory.				
		<input type="checkbox"/> AAC allows local purchase.				
		<input type="checkbox"/> KO waives NSN per DFARS 208.				
		<input type="checkbox"/> ICP waiver attached.				
VENDOR POINT OF CONTACT:		<input type="checkbox"/> Shore contracting activity _____ <input type="checkbox"/> Contacted on _____ <input type="checkbox"/> Can not procure by RDD.				
SHIP TO:						
PROMPT PAYMENT TERMS:						
FOB POINT:						
ESTIMATED SHIPPING COST:		<input type="checkbox"/> Governmentwide Commercial Purchase Card <input type="checkbox"/> Phone Order <input type="checkbox"/> Over the counter <input type="checkbox"/> Confirming Order - Do Not Duplicate				
SHIPPING MODE:						
QUOTE RCVD:						
TAC:						
DELIVERY DATE:						
REQUISITION NUMBER	NOMENCLATURE	QUANTITY	UH	ESTIMATED UNIT PRICE	ACTUAL UNIT PRICE	EXTENDED PRICE
DISCUSSION (CONTINUE ON BACK):						
SUPPLY PETTY OFFICER SIGNATURE:		DATE:		CONTRACTING OFFICER SIGNATURE:		DATE:



[illegible]

